

TCU sees evidences of fraud in the Family Stipend

(Published in *Valor OnLine* on May 7, 2009)

BRASÍLIA - The Brazilian Court of Audit (TCU) pointed out yesterday several flaws in the system that selects the beneficiaries of the Family Stipend (*Bolsa Família* Program), the largest social program sponsored by the government of President Luiz Inácio Lula da Silva. According to a decision rendered by Minister Augusto Nardes, the program presents security flaws, evidences of fraud and deficiency in the entry of information from the beneficiaries.

The reporting judge stated the Federal Government's Exclusive Registry of Social Programs (*CadÚnico*), presents "inconsistency of information related to the income and assets, identification of the legal responsible person of the families, and in the calculation of the amount of the benefit."

Among the irregularities, the inspectors of the Court found, in the registry, deceased persons, elected politicians and their deputies, as well as duplicate entries of beneficiaries and families not complying with the income criteria. Furthermore, they revealed flaws in the information security policy, a fact that increases the risks of data exposure and that of classified information.

The TCU made a series of recommendations to the Ministry, granting a three-month term for the agency and for the *Caixa Econômica Federal* to devise an action plan and submit it to its Information Technology Department, and such plan should comprise a schedule of the measures adopted to comply with these determinations.

Among the recommendations are the assessment of persons that have more than one identification number, of persons included in more than one family, of persons whose data in the registry were modified before December, 2005, and the establishment of procedures to verify periodically the consistency between the local and national databases of the *CadÚnico*, among others.

In a notice, the Ministry of Social Development stated that "it has been constantly implementing actions that improve the *CadÚnico*", that "the registration program had been improved in 2008 in order to ensure transmission only of registries that fulfill the quality requirements of the information," and that "between 2005 and 2006, with the control measures adopted, 2.6 million benefits were cancelled." The amount of funds inspected by the audit carried out by the Court was of approximately BRL1 billion, regarding the payments settled in the months of February, 2008.

As to the beneficiary families that had members elected in the last elections, the Ministry stated that 172 of these 576 persons already had their benefits cancelled. Regarding the remaining 404, their benefits shall be cancelled and the individuals will be subject to inspection.

The Ministry challenged the possibility stated by the TCU that there may be families that receive the Family Stipend and are not registered in the *CadÚnico*. In order to verify this situation, the National Bureau of Citizenship Income has carried out a sample on 900 registries of the registration database of January, 2009, and identified that all the families were registered.

(Caio Junqueira | *Valor Econômico*)